

Message Text

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PAGE 01 JAKART 04316 041126Z
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 TRSE-00 AID-05 CIAE-00
COME-00 FRB-03 INR-10 NSAE-00 ICA-11 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 PA-01 ABF-01
FS-01 /064 W
-----099380 050315Z /70
R 040905Z APR 78
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 7895

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E.O. 11652: N/A
TAGS: EFIN, ID
SUBJECT: CENTRAL BANK GOVERNOR DENIES GOI INTENDS ALTER
RUPIAH RATE OF EXCHANGE

REF: JAKARTA 109

1. SPECULATION AGAINST THE RUPIAH WHICH PRECEDES EVERY
SIGNIFICANT DATE OR EVENT IN INDONESIA REACHED NEW LEVEL
OF INTENSITY DURING LATTER STAGES MPR SESSION, CABINET
RESHUFFLE AND END OF FISCAL YEAR ON MARCH 31.
SPECULATIVE PRESSURE AGGRAVATED BY DOLLAR'S SLUMP AND BY
INTEREST RATE REDUCTIONS (REFTEL) WHICH HAVE PROMPTED
MANY DOMESTIC SAVERS TO BUY APPRECIATING CURRENCIES
RATHER THAN RENEW TIME DEPOSITS AS THEY MATURE.
2. IN AN ATTEMPT TO STEM OUTFLOW IN FINAL DAYS OF FISCAL
YEAR, BANK INDONESIA GOVERNOR, RACHMAT SALEH, ISSUED PUBLIC
STATEMENT DENYING THAT GOI HAD ANY INTENTION TO DEVALUE
OR REVALUE THE RUPIAH. STATEMENT HAD CUSTOMARY
EFFECT OF SUCH PUBLIC ASSURANCES BRIEFLY CAUSING EVEN
STRONGER PRESSURE AGAINST THE RUPIAH.

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3. NOW THAT NEW GOVERNMENT IS IN PLACE AND NEW
FISCAL YEAR IN PROGRESS, SPECULATION HAS LARGELY
SUBSIDED.
MASTERS

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NNN

Message Attributes

Automatic Decaptioning: X
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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Disposition History: n/a
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Legacy Key: link1978/newtext/t19780496/aaaaddle.tel
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Litigation Codes:
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Office: ACTION EB
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Original Handling Restrictions: n/a
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TAGS: EFIN, ID
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